Liquidation of BCCI, Bombay

1241. SHRI V. NARAYANASAMY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that by the liquidation of the Bombay branch of Bank of Credit and Commerce International, lakhs of investors lost their deposits in India;

(b) if so, what are the reasons for not properly monitoring the liquidity position of the bank;

(c) whether any action has been taken against the concerned officers; and

(d) whether Government have ordered enquiry into the liquidation of BCCI ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) No, Sir.

(b) and (c) Do not arise.

(d) Reserve Bank of India (RBI) has ordered a special audit of the Bombay branch of Bank of Credit and Commerce International to be conducted by a firm of Chartered Accountants.

Misuse of gold import scheme

1242. SHRI GURUDAS DAS GUPTA: SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the gold import scheme has failed to meet the basic objective i.e. the prevention of smuggling;

(b) whether the Revenue Intelligence Directorate has reported that the scheme is being used for criminal by syndicates operating from Dubai and London; and

(c) if so, whether Government propose to reveiew the scheme and take steps to make it foolproof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a), to (c) Smuggling being a clandestine activity, it is not possible to quantify the amount of gold ssmuggled into the country after the introduction of the gold import scheme. However, the quantity of gold seized during the period from 1-3-1992 to 31-10-1992 and 1-3-1991 to 31-10-1991, as given below, show a declining trend, which may be attributed to reduced smuggling of gold :

1-3-1991 to 31-10-1991	3604 kgs.
1-3-1992 to 31-10-1992	1868 kgs.

It is still too early to assess the impact of the gold import scheme in all its aspects. Directorate of Revenue Intelligence have, however, indicated the possibility of certain persons using passengers arriving in India, who satisfy the conditions stipulated for import of gold, for transporting gold through the legal channel and clearing it on payment of duty.

Monetary Programme for 1992-93

1243. DR. SHRIKANT RAMCHANDRA JICHKAR : Will the Minister of FINANCE be pleased to state :

(a) what are the details of the monetary programme for 1992-93.

(b) what is the current ceiling on the net Reserve Bank of India credit to Central Government; and

(c) what proportion of this credit is dependent on the centre's budget deficit which it has to finance ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) The monetary programme for 1992-93 includes (i) quarterly ceilings on the net domestic assets of the Reserve Bank of India and a sub-ceiling on the net Reserve Bank Credit to the Centre; (ii) quarterly indicative ceiling on total net bank credit to general Government (that is Central and State Governments); (iii) overall annual growth targets of about 10.4 per cent and 13.8 per cent for money supply (M3) and reserve money respectively.

(b) The current ceiling on net Reserve Bank credit to Central Government is set at Rs. 98400 crore at the end March 1993